



MAYOR & COUNCIL COMMUNICATION

DATE: August 4, 2015
CONSENT
ITEM #4
MOTION

AGENDA ITEM: June 2015 Financial Reporting

SUBMITTED BY: Cathy Bendel, Finance Director

THROUGH: Cathy Bendel, Finance Director

REVIEWED BY: Finance Committee

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item City Administrator
- Report/Presentation.....City Administrator
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Finance

FISCAL IMPACT: NA

SUMMARY AND ACTION REQUESTED: As part of its Consent Agenda, the City Council is asked to accept the June 2015 Financial Reporting Packet. No specific motion is needed as this is recommended to be part of the overall approval of the *Consent Agenda*.

BACKGROUND INFORMATION: The City of Lake Elmo has fiduciary authority and responsibility to conduct normal business operations and report the financial (unaudited) statement to the City Council. City guidelines suggest the Council be updated on a regular basis.

STAFF REPORT: Attached please find the comparative financial statements for the month of June 2015 reflecting the monthly and year to date detail, comparing the actual results to the 2015 Budget.

GENERAL FUND:

Revenues:

Total revenue for the month was 22% below budget for the month bringing the year to date total revenue to 5.3% below budget. The most significant budget to actual revenue variances are as follows:

- Building Permit revenue was 41.2% above budget for the month and 36.8% below budget on a year to date basis. The budget was compiled for the full year only and the amount shown for the month of June is 1/12th of the total budgeted for the year. This represents 7 new home starts in June compared to the budgeted 11 new home starts per month. The year to date new home starts is at 45, of which 7 were open space new homes. The 2015 budget did not include any open space new homes.
- Sewer Permit revenue for the month was 100% below budget due to there being no new sewer permits in the month of June.
- Utility Permit revenue for the month was 98% above budget due to the new development activity generating more permit revenue than budgeted.

Expenses:

Total expenses for the month were 29.8% lower than budget bringing the year to date expenses to 13.7% less than budget. All departments continue to manage to the bottom line.

The following summarizes variances of note:

General:

- Prosecution legal expenses are 7% higher than budget for the month and the majority of the cost increase is covered by fine revenue.
- Building Inspection – The building inspection expenses are 46.7% below budget for the month and 39.6% below budget year to date primarily due to the building permit volume being below the level anticipated in the plan. As a result, the contracted inspector continues to be utilized until the permit volume ramp up to a level justifying a staff addition.
- Streets – the 2015 budget anticipated that the 2015 seal coating and crack filling projects would be completed in June. Some expenses have been processed but the project is still underway and the variance is a timing issue.

In summary, as discussed during the 2015 budget process, expenses are being closely monitored until the development ramps up to cover growth driven expenses. Year to date actual expenses

continue to be less than budgeted and the net income through June is 17% better than budget due to everyone managing to the bottom line.

LIBRARY FUND:

Revenues: Revenues for the month and year to date far exceeded budget as a result of recovering the delinquent rent from a prior tenant of \$15k.

Expenses: Expenses for the month of June were within 1% of budget for the month. On a year to date basis, expenses were 17% less than budget.

On a net income basis, the June results are 100% better than budgeted primarily due to the collection of the delinquent tenant rent. This brings the year to date results to 33% better than budgeted.

The ending June cash balance in the library fund is \$133.2k.

RECOMMENDATION: Based on the aforementioned, the staff recommends the City Council accept the attached June Financial Report.

ATTACHMENT:

1. June Financial Reports